

# Master of the Politics of Paranoia

BY DOUG BIRCH

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Power Co. in the mid-1970s.

When it was discovered in the early 1980s that Detective Jay Paul of the Los Angeles Police Department had thousands of internal police files on political dissidents in his garage, it turned out the information was intended for Mr. Rees.

And when reporters for the *Boston Globe* and the *Miami Herald* recently reported that there is a loosely organized network of right-wingers conducting surveillance of opponents of President Reagan's foreign policies, they wrote that John Herbert Rees was the central figure in that network.

As editor, publisher and journalist-of-fortune for *Information Digest*, Mr. Rees over the past 20 years has printed numerous articles detailing the membership and activities of extremist groups such as the Ku Klux Klan, Minutemen, Aryan Brotherhood, American Nazi Party, the LaRouche organization and others.

But the primary target of the \$500-a-year, biweekly newsletter has always been liberal and leftist groups and individuals who, Mr. Rees alleges, dance to Moscow's tune.

Mr. Rees and his wife, Sheila Louise — who have

lived in Baltimore for more than a decade — don't deny they report on the activities of groups opposed to U.S. foreign policy. They say they are investigative reporters using legitimate sources to write stories about potentially dangerous fringe groups and Soviet "active measures," covert efforts to manipulate American public opinion and policy.

But they say they don't pass information to federal agencies any more than *The Sun* does. They simply publish it in their newsletter, which is sent free of charge to several government agencies. What people do with that information, they say, is up to them.

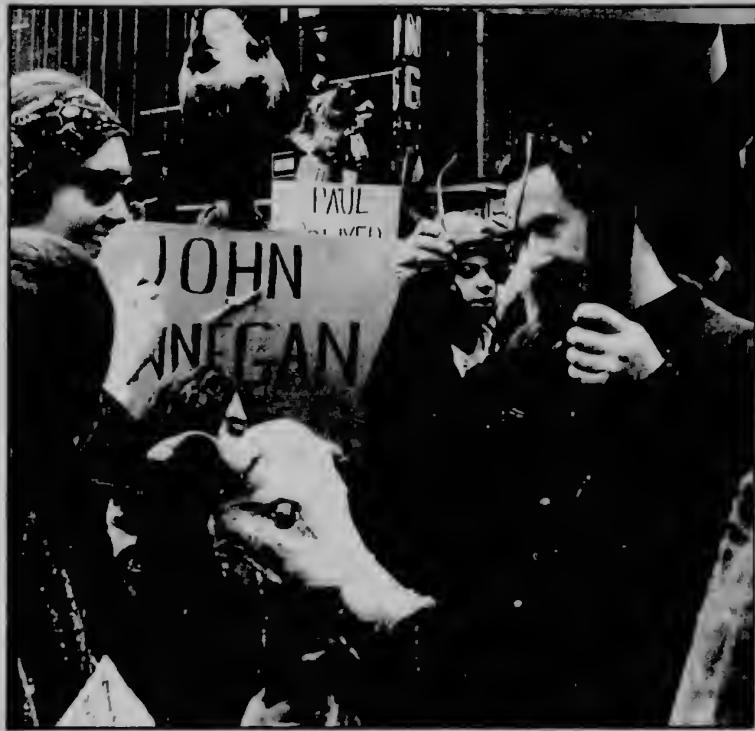
Critics point out, though, that in 1981 when the FBI asked the Justice Department to approve an investigation of the Committee in Solidarity with the Peoples of El Salvador, the FBI cited an article by Mr. Rees on left-wing Salvadoran terrorism in the *Review of the News*, a John Birch Society publication. After four years, the FBI investigation was dropped when no evidence of criminal or terrorist activity surfaced.

Some members of Congress are concerned that Mr. Rees and others are gathering and disseminating data on the legitimate political activities of Americans — intelligence the government itself is forbidden to collect under the 1974 Privacy Act. They worry that the information is biased and distorted.

"An individual can have any kind of files they want," says Representative Don Edwards, D-Calif., chairman of the House FBI oversight committee. "This is a free country. But the problem was he [Mr. Rees] was feeding unverified information to the FBI and they were taking it as real."

Mr. Rees is unruffled by the charges. He is used

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This photo, taken by a free-lance photographer working for the FBI, shows the 1968 demonstration in New York at which John Rees, right, met Sheila Louise O'Connor, left, who later became his wife.

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to the controversy. He recently told visitors to his comfortably furnished Baltimore row house, the location of which he asked not be disclosed, that he had spent the previous few days avoiding a process server for Lyndon H. LaRouche, the Marxist-turned-ultra-rightist. Someone, it seems, may have wanted him for a Boston court appearance.

The 61-year-old Mr. Rees, who is still a British subject, has seen it all since coming to this country 25 years ago. He isn't just familiar with what historian Richard Hofstadter called "the paranoid style" of American politics, he's fashioned a career out of it.

How, he was asked, does he keep from becoming paranoid himself?

"Oh, I probably am paranoid," Mr. Rees says with a smile. "Paranoia can be defined as a heightened sense of perception."

MR. REES IS RELUCTANT to say much about his life. The facts he does give frequently contradict other sources. He says, for example, that he received a bachelor's degree from the University of Bristol in 1948. But a spokesman says the school has no record that anyone with his name has ever been awarded a degree. He can't

recall the date he was married to his wife, the former Sheila Louise O'Connor. She is even less talkative about her background. The Reeses will not even disclose her age, though she appears to be in her mid- to late-30s.

Asked about his reluctance to disclose details of his life, and the discrepancies in the facts he does provide, Mr. Rees shrugs. Secrecy is needed, he says, to keep his private life out of bounds when lawyers ask prying questions in the course of lawsuits. And the confusion, he adds, frustrates his enemies.

This much seems true: John Herbert Rees was born in 1926 at Southend-on-Sea and attended English general — what in this country would be called public — schools. From 1950 until 1954, according to several accounts, Mr. Rees was a military policeman with the Royal Air Force, and was discharged with the rank of corporal and an "exemplary" rating. Later, he worked for the London *Daily Mirror* as what he describes as a "gofer" for the publisher.

Along the way Mr. Rees, who says one of his former wives describes him as "an alcoholic Peter Pan," had two failed marriages and five children. In the early 1960s, he had a love affair with a stenographer in the FBI office in the U.S. Embassy in London, according to an FBI memo. A short time later he

decided to come to the United States because, he says, "I wanted to see if the cowboy stories were really true."

IN 1963, AT THE AGE OF 36, Mr. Rees arrived in Boston, where the stenographer lived. He reported having 9,331 English pounds in the bank, the blessing of his estranged wife and dreams of becoming an American journalist. (A year later, according to one report, a London travel firm complained to the State Department that Mr. Rees still owed it 430 pounds for his travel arrangements.)

Within a few months, Mr. Rees appeared on the New Hampshire doorstep of Grace Metalious, the author of the best-selling book "Peyton Place." Saying he wanted to write a profile for the *Daily Mirror*, he sat down for a couple of drinks with the author, an alcoholic who was recently divorced and living alone. "We talked until dawn, with Grace as much interested in my background as I was in hers," Mr. Rees wrote in an article in the September 1964 issue of *Cosmopolitan*.

He and the author became lovers, he says.

The *Cosmopolitan* article described her as a non-stop talker, a lousy housekeeper and extremely generous. "She gave thousands of dollars to friends as loans which she never expected to be paid back," Mr. Rees wrote. "She

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could not resist appeals from charities nor could she resist the temptation to buy lavish presents for birthdays. At Christmas she was particularly extravagant."

Five months later, in February 1964, Metalious was gravely ill and suffering, he wrote, "from a chronic liver condition." Writing of her last days, Mr. Rees said she called her lawyer to her Boston hotel room so she could change her will.

Mr. Rees told *Cosmopolitan* readers she wanted to donate her eyes to science. What he did not mention, but was widely reported elsewhere, was that she also rewrote her will to make Mr. Rees sole heir, cutting off her estranged husband and three children.

Mr. Rees says he quickly renounced his claims to the estate, saying he wanted to spare her family a court suit. By most other accounts, Mr. Rees stepped back after it became clear the estate's liabilities exceeded its assets.

The struggling writer rebounded quickly, and a few months later began living with Marianne Baldwin, a black sculptor, in Lynn, Mass. The couple had a child, Mr. Rees says, who later fell victim to crib death.

After working as an orderly in two nursing homes, he and Ms. Baldwin moved to Newark, N.J., where Mr. Rees hoped to find work with a New York newspaper. He never got the job, but found other opportunities in Newark, a city sharply divided along racial lines.

Mr. Rees became one of the few white people living in and trusted by Newark's black community. He socialized at the Owl Club, a watering hole for Newark's black power structure. At the same time, he cultivated Mayor Hugh Addonizio and Police Director Dominick A. Spina, who eventually sponsored his membership in an Italian club called the Honored Society.

In mid-July 1967, a scuffle between police and a black taxi driver in Newark triggered six days of arson and sniping that left 26 people dead, 1,500 injured and 1,397 arrested. On the last day of the rioting, the city hired Mr. Rees as "research director" of New Careers, a

federally financed job training program. A day later, Mayor Addonizio told reporters "outsiders" were partly responsible for the devastation and added, "We're convinced this ... was a planned situation."

Not long after that, Mr. Rees and a black attorney launched a private firm, National Goals Inc., which shocked state officials by proposing the U.S. Department of Justice pay \$743,741.50 for what it termed "community peace patrols."

Mr. Rees and Police Director Spina — whom one newspaper account identified as a National Goals official — planned to pay \$12,000 a year to Anthony Imperiale, president of the white North Ward Citizens Committee, and Brother Kamiel Wadud, of the United Brothers of Newark, to organize their members to keep order in their communities. But state officials denounced the patrols as "vigilante groups" that would escalate tensions, not reduce them.

Mr. Rees was fired from New Careers in 1968 after it was discovered he was spending little time on the job and doing consulting work for a private firm. Federal officials demanded Newark repay \$7,597 of his salary.

"Newark was a city with imponderable bookkeeping," Mr. Rees says. "Probably creative bookkeeping. Eventually, Mayor Addonizio went to jail. I didn't. I was not questioned about anything. There were allegations made. But there were always allegations being made in Newark."

But by the time he was fired, Mr. Rees was already looking beyond Newark.

"The police-community relations programs provided an insight into how a riot could be turned into an urban insurrection," he says. "And I wrote about this and I spoke about this. And in doing this I met a number of people from police departments, city councils, community relations operations who were interested in these activities. And *Information Digest* emerged as a communications link, a promotional tool, between them."

To gather data for his fledgling newsletter, Mr. Rees began taking part in

demonstrations in New York — discreetly undercover. He infiltrated the ranks of demonstrators in Chicago during the Democratic convention. He attended a Students for a Democratic Society meeting in Lansing, Mich. He even sat in on Black Power conferences in Oakland, Calif., and Newark. The burly Englishman scooped up mimeographed leaflets, radical newspapers and other publications and took discreet notes on 3-by-5 cards.

Sometimes the data went straight into police files — during the Chicago convention Mr. Rees mingled with demonstrators and kept police apprised of their plans. Some of the information was published in the *National Laymen's Digest*, a publication of the Illinois-based Church League of America, which Mr. Rees edited in 1969 and 1970.

Sometimes, Mr. Rees' information was saved and channeled to the U.S. House Committee on Un-American Activities (HUAC), the now-defunct panel that tracked the activities of alleged domestic subversives. The "cream," as Mr. Rees put it, always wound up in *Information Digest*.

Mr. Rees favored what he calls "pen names" while on assignment. While writing about the Jewish Defense League, for example, he was "Johnathan Goldstein." In other forums, he posed as "John O'Connor," a lawyer. Often he wore a clerical collar and called himself the "Rev. John Seeley."

"In dealing with local police," wrote Frank J. Donner, in his book *The Age of Surveillance*, "Rees used a familiar scam: He would hawk information to one department (typically a lurid tale of a violent plot) and in the course of this transaction, pick up information that he would in turn peddle to a unit in another city."

In 1968, Mr. Rees broke up with Ms. Baldwin and met Sheila Louise O'Connor, a young legal secretary, at a march by the radical New York Crazies, a splinter of the Students for a Democratic Society. Sheila, who is 6 feet tall, dignified, heavyset and reserved in public, had come out of curiosity. She found she shared Mr. Rees' fasci-

nation with and loathing for leftists.

"She was the only attractive, washed female there," he recalls. The couple carried a butchered pig's head, the trademark of the Crazies, up to Central Park.

Mr. Rees' activities, and his eagerness to give data to various investigative agencies, triggered several investigations of him by police departments and federal authorities. The results weren't always flattering.

"Rees is an unscrupulous, unethical individual and an opportunist who operates with a self-serving interest," concludes an FBI report dated Sept. 27, 1968. "Information he has provided has been exaggerated" and vague. Interviewing Mr. Rees about protesters at the Chicago convention, it says, "would be a waste of time."

John were married, they say, in 1970, and turned *Information Digest* into a family business. From the beginning, the Reeses were keenly interested in institutions — such as the left-wing National Lawyers Guild and the liberal Institute for Policy Studies (IPS) — with ties to what was then called the New Left.

In May of 1971, the Reeses went to Washington, where they launched a commune at 1616 Longfellow St., living with members of the local radical community and providing shelter for out-of-town visitors. According to the *Washington Post* and Mr. Donner in "The Age of Surveillance," Mr. Rees, who became "John Seeley" for the duration, opened the Red House Book Store near Dupont Circle with money provided by the Washington police. The police also provided Mr. Rees with a bugged of-

fice where he could meet with supposedly dangerous leftists. But apparently, little of the data gathered proved interesting to police. The bookstore folded after six months.

So the Reeses launched the Center for Education in Repression and the Law (CERL), a bogus think tank based in their home. They made contact with the National Lawyers Guild and the IPS to glean information. In 1972 Mrs. Rees volunteered, as Sheila O'Connor, to work as a key clerical staffer in the offices of the Washington chapter of the guild. Eventually, she was elected to its national executive board.

Guild officials said she vastly improved operations of their office, organizing files and drawing up membership lists. Despite her diligence, however, they suspected she and her husband tried to sabotage cer-

tain guild programs and claim they turned a guild convention in 1973 in Austin, Texas, into a public relations fiasco by not lining up speakers and by attacking the press.

The Reeses stopped working with the guild soon after, but remained familiar figures at meetings and demonstrations in Washington until 1976, when investigators with the New York State Assembly's Office of Legislative Oversight and Analysis issued a report on more than 1 million files maintained by the New York State Police on political activists.

They found that police clerks had taken issues of *Information Digest*, routinely underlined the names "negatively mentioned" and then filled out index cards for each one — including those of prominent politicians and celebrities.

One of those names was

that of Dr. Steven Muller, now president of Johns Hopkins University, who was a member of the Institute for Policy Studies' first board of trustees. The police files were later destroyed. Mr. Muller recently termed the incident "absurd."

Investigators with the legislative office linked John Seeley and Sheila O'Connor with the authors of *Information Digest* and leaked the information to the press.

Mr. Rees recalls reading a *New York Times* article describing the investigation and identifying him as "John Seeley." He was drinking tea and eating marmalade toast in his Longfellow Street commune. By that point he was a member of the John Birch Society and Washington bureau chief for the society's *Review of the News*.

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SHEILA LOUISE AND

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The Reeses quietly packed up and left Washington.

THE LATE REPRESENTATIVE Larry P. McDonald, D-Ga., a urologist and ranking John Birch Society official, came to Congress in 1985 and hired a number of staffers from the House Internal Security Committee, which was being disbanded. One of those employees was Sheila Louise Rees.

Over the next eight years, until his death, he and the Reeses forged a close alliance. For a time Mr. Rees worked out of McDonald's offices and kept his files there. McDonald frequently took Mr. Rees' articles from *Information Digest* and other publications and inserted them in the Congressional Record.

A series of discussions between Mr. Rees and McDonald led to the creation, in 1980, of Western Goals, a Virginia-based group its founders hoped would become a leading

right-wing research center on leftist and liberal groups.

Working without pay, Mr. Rees wrote publications for the group and helped them set up files on alleged domestic subversive groups — which included, Mr. Rees said, pro-abortion and other groups interested in domestic policies.

"The *Information Digests* that I gave to Western Goals were indexed by Western Goals and put on computer tape and made into files," Mr. Rees says. "These were supplemented by some intensive newspaper clipping and by material that Jay Paul, a friend of mine and a detective with the Los Angeles Police Department, had in his possession."

Retired Maj. Gen. John K. Singlaub, a member of the board, says Western Goals wanted to build a computer data base containing the leadership structure and membership of every left-wing group in the country. The right, he says, needed to match the left's ability to mobilize on short notice and track the activities of conservative Ameri-

cans. "The radical left," he claims, "in this country has an incredible, computer-connected network that has enormous files connected with them."

But, Mr. Singlaub says, the group was never able to complete its data base after McDonald died in 1982 aboard Korean Air Lines flight 007, shot down by a Soviet fighter pilot.

The incident triggered a succession struggle at Western Goals. And within a few months, Western Goals and Mr. Rees were hauled before a California grand jury investigating Jay Paul, who had a \$30,000-a-year contract to feed information to Western Goals and was accused of providing data from internal police files that were supposed to have been destroyed in 1975. The California state attorney general later decided not to press criminal charges.

A lawsuit filed by the American Civil Liberties Union against Mr. Rees in connection with the case is still pending.

McDonald's death led Mr. Rees away from the old right, as personified by McDonald. He left Western Goals, quit the *Review of*

*News*, did not renew his membership in the John Birch Society and became an editor of *Conservative Digest*, a magazine published by a combination of former Birch society members and New Right authors.

Around the same time, he helped launch Middle Atlantic Research Associates. MARA publishes *Early Warning*, a \$1,000-a-year newsletter that predicts political trends in countries around the globe.

The firm also issues special reports on various topics — such as one on the likelihood that the 1984 Los Angeles Olympics would become a target of terrorist attacks. And it provides "risk analyses" to multinational firms concerned about political stability in countries where they do business.

Meanwhile, the Reeses continue to publish *Information Digest*, which they regard as little different from any other newsstand publication.

"It's really funny," Mrs. Rees says. "Protest groups go out and go to Washington, spend a lot of time and effort making up extremely colorful banners that will look good on the evening news and draw attention to themselves. They do not object at all if Channel 5 puts them on the news. But then they scream and holler if we write them up, too. Now, where's the logic to this?"

Several groups — both on the right and left — track ideological enemies the way Mr. Rees does. But his private political intelligence-gathering apparatus is one of the most highly regarded in the country.

Mr. Singlaub, a figure in Oliver North's private contra support network and head of the World Anti-Communist League, says that reports Mr. Rees has provided him on domestic leftists are "pertinent, accurate — to the best of my ability to determine — and generally quite well researched."

Ray Wannall is a former FBI intelligence official and chairman of the Security and Intelligence Foundation, which lobbies to loosen restrictions on domestic surveillance by federal agencies. He says Mr. Rees "has what I consider to be the best information I've

seen on the subjects he covers since the time the FBI was last engaged in domestic security and intelligence investigations in March of 1976." Under Carter administration reforms, FBI surveillance of persons not suspected of criminal activity was curbed.

John F. "Chip" Berlet, a researcher with Political Research Associates, based in Cambridge, Mass., and the National Lawyers' Guild, called Mr. Rees "America's premier right-wing spy."

**INFORMATION DIGEST** is written out of a second-floor office in the Reeses' home, which has decorative iron grates over the front and rear doors. The secretary answers the phone by saying simply, "Offices." Shotguns are slung from hooks over certain doorways for use "in the event of civil disturbances," Mr. Rees explains.

(Told he was once described in an FBI memo as a weapons expert, Mr. Rees recalls how, on RAF shooting ranges in the early 1950s, he would amble out to the targets so he could surreptitiously poke holes near the bull's-eyes.)

Besides a powerful computer and word-processing equipment, Mr. Rees has extensive files — which, among his enemies and admirers, have gained an almost mythical status. On condition their location not be disclosed, Mr. Rees leads a reporter to his "active" files, which consist of about 100 linear feet of file cabinets, file boxes and shelves. Some of the labels read "ACLU," "Amnesty International," "The Daily World" and "Communist Party."

While he doesn't describe precisely how he organizes his material, evidence suggests that he keeps names of individuals in his computer files, cross-referenced to the material on the archive shelves.

A stable of about 50 correspondents around the country contributes to the publication, he says, mostly by reading their local newspapers and assiduously clipping out articles. By rough estimate, over the years he has published more than 50,000 names.

Once, most readers were police agencies. Today, Mr. Rees claims, his circulation

list includes mostly journalists and academics.

Mr. Berlet, of Political Research Associates, says Mr. Rees' network is made up of John Birch Society members who quietly attend meetings of left-wing or suspected left-wing groups. There are also, he says, a handful of former and current police officials, such as Mr. Paul, or FBI agents who keep their own files.

*Information Digest* and its network couldn't continue, Mr. Rees says, without a little help from unnamed "patrons." Mr. Berlet says he doesn't know who they are. But he adds he was introduced by Mr. Rees to Richard Mellon Scaife, the conservative multimillionaire from Pittsburgh, at a recent conference about extremist Lyndon LaRouche staged by *Information Digest*.

The ultra-right Liberty Lobby filed suit against Mr. Rees several years ago after he wrote articles linking the group with Mr. LaRouche's organization. The suit, dismissed in the lower court, is now pending in the U.S. Court of Appeals for the District of Columbia.

In depositions given in that case, he and his wife told a federal court in Washington that *Information Digest* had a paid circulation of only nine, while 76 copies were distributed free of charge. They estimated the gross income of the publication at only \$4,100 that year, saying it cost them \$7,000 to copy and mail.

They claimed *Information Digest* paid no "rent, salaries, travel costs, equipment costs, litigation" or other costs. Mark Lane, the lawyer for Liberty Lobby and widely known for his conspiracy theories about the assassination of President Kennedy, spent months in a vain effort to get Mr. Rees to spell out how he finances *Information Digest*.

"Who pays him?" asks Mr. Lane. "I don't know. I don't know where his money comes from. I don't know if anybody knows. He has no checking account. He has no business records of any kind. Neither he nor his wife know what kind of income they've received. This is the weirdest situation I've experienced." ■